

**HOUSING AUTHORITY OF THE CITY OF TACOMA**  
**DBA TACOMA HOUSING AUTHORITY**  
**Pierce County, Washington**  
**July 1, 1993 Through June 30, 1994**

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**Schedule Of Federal Findings**

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1. Any Information Necessary For Determining The Family's Adjusted Income Must Be Verified By The Housing Authority

One of the twenty-four Section 8 files examined did not contain the necessary income verification for Medicare. This same file also did not contain the necessary medical expense verifications. Hence, the tenant was given a medical expense deduction against their annual income when the file did not contain verifications to support the deduction.

In another of the 24 Section 8 files examined, the necessary income verifications were not identified for a tenant receiving Social Security. When income is not verified, or the verification is not adequately documented by the housing authority, it cannot be determined if the tenant's annual adjusted income is correctly calculated. This creates a dilemma since the tenant's annual adjusted income is used in the calculation of many other eligibility requirements.

In the two cases cited above, the federal requirements in 24 CFR 813.109 state that the PHA is responsible for verifying any information necessary for determining the family's adjusted income.

We recommend the housing authority review with the staff the importance of following the federal requirements.

2. The Accrual Of Capital Expenditures Should Not Occur Until The Commitment Or Actual Obligation To Expend The Funds Is Incurred

During our audit of the Section 8 - Consolidated Conventional program, we found that the housing authority had improperly recorded an accrual for capital expenditures of equipment not yet purchased or obligated to be purchased.

The U.S. Department of Housing and Urban Development (HUD) was notified of the situation during the audit and they (HUD) requested the housing authority to restate their financial statements for the Consolidated Conventional program before the statements were issued. The housing authority complied with the restatement. HUD also allowed the housing authority to request permission to retain the residual receipts. The HUD approval was granted on May 3, 1995.

We recommend that in the future the housing authority not accrue liabilities on their financial statements until the obligations actually exist.